

On The Eighth Day Co-Operative Limited
Tax Reconciliation
For the Year Ended 31 August 2025

	2025		2024		2023		2022	
	£	£	£	£	£	£	£	£
Profit/(loss) per the financial statements		(8,697)		27,035		14,557		(40,349)
Add								
Timing difference between depreciation and capital allowances	14,582		13,088		15,450		18,999	
Loss on disposal of fixed assets	175		433		441		340	
Expenses not allowable for tax	-		-		-		1,100	
Unpaid pensions 2025 paid after the year end	1,322	16,079	858	14,379	693	16,584	723	21,162
Less								
Income already taxed	1		1		1		1	
Losses brought forward utilised	5,579		-		-		-	
Unpaid pensions 2024 paid in the 2025 year	858	(6,438)	693	(694)	723	(724)	905	(906)
Adjusted profits for tax purposes		<u>944</u>		<u>40,720</u>		<u>30,417</u>		<u>(20,093)</u>
Trading losses brought forward		£ (5,579)		£ (46,299)		£ (76,716)		£ (56,623)
Current year loss		-		-		-		(20,093)
Losses brought forward utilised against current year profits		5,579		40,720		30,417		-
Trading losses carried forward		<u>-</u>		<u>(5,579)</u>		<u>(46,299)</u>		<u>(76,716)</u>
Taxation		£		£		£		£
Corporation tax for the year at 19%		179		-		-		-
Deferred tax charge/credit on timing differences		(867)		(225)		1,064		(1,233)
Taxation per the financial statements		<u>(688)</u>		<u>(225)</u>		<u>1,064</u>		<u>(1,233)</u>

Additional notes for Fair Tax Mark Assessment:

	£	£	£	£
Numerical current tax reconciliation				
Profit/(loss) before taxation	(8,697)	27,035	14,557	(40,349)
Expected current tax credit at headline rate of 19%	(1,652)	5,137	2,766	(7,666)
Tax adjusting items:				
Depreciation in excess of capital allowances	2,803	2,569	3,019	3,674
Expenses not deductible for tax purposes	-	-	-	209
Pension adjustments	88	31	(6)	(35)
Trading losses (utilised)/carried forward	(1,060)	(7,737)	(5,779)	3,818
Actual current tax charge per financial statements	<u>179</u>	<u>-</u>	<u>-</u>	<u>-</u>

Depreciation in excess of capital allowances – the accounting treatment of fixed assets differs from the tax treatment. For accounting purposes, our tangible fixed assets are depreciated over their useful economic lives. For tax purposes, there are specific rules to what can, or should, be claimed. The differences between these treatments create a temporary tax adjustment that will balance out over time.

Expenses not deductible for tax purposes – Some business expenses, although entirely appropriate for inclusion in the financial statements, are not allowed as a deduction against taxable income when calculating the tax liability. Examples of such expenses are: fines and penalties.

Pension adjustments – tax relief is given on a paid basis. If there is a pension creditor or accrual in the accounts (i.e. not yet paid), then this will be adjusted for in computing the taxable profits/(losses).

Trading losses (utilised)/carried forward – tax losses from earlier periods can be carried forward and relieved against future profits, so that the correct amount of tax is applied to the overall historic profits generated, and not just for that period. Once the tax losses have all been used, tax will then become chargeable on the profits generated thereafter.

	£	£	£	£
Deferred Tax				
Book written down value of assets other than property	17,708	19,773	20,670	24,152
Less tax written down value of assets other than property	(1,405)	-	-	(2,551)
Difference	<u>16,303</u>	<u>19,773</u>	<u>20,670</u>	<u>21,601</u>
Deferred tax at 25% - per balance sheet	Rate 25% <u>4,076</u>	Rate 25% <u>4,943</u>	Rate 25% <u>5,168</u>	Rate 19% <u>4,104</u>
Movement in the year - per profit and loss account	<u>(867)</u>	<u>(225)</u>	<u>1,064</u>	<u>(1,233)</u>

Depreciation in excess of capital allowances – the accounting treatment of fixed assets differs from the tax treatment. For accounting purposes, our tangible fixed assets are depreciated over their useful economic lives. For tax purposes, there are specific rules to what can, or should, be claimed. The differences between these treatments create a temporary tax adjustment that will balance out over time. The rates used are dependent on legislation in force at the date of the accounts.